



# **Labour Costs Workshop Rome 5-6 May 2015**

**Agenda Item 3.1**  
**LCS consistency and plausibility**

**Eusebio.Bezzina@ec.europa.eu**

# Main items discussed

- Plausibility of LCS data:
  - Total hours worked;
  - Number of employees;
  - Hourly labour cost
- Consistency with other sources (LCI / LFS / NA)
  - 2012 levels;
  - 2012 / 2008 growth rates

# Background (1)

- Importance of reliable and harmonised LCS data
- analysis of level/structure/development of labour costs
- policy making

**Main users:** EU Member States & other EU stakeholders

**Main variables:** labour costs & nb of hours worked

- > important *per se* (labour input, wage/non-wage split)
- > inputs of the **Hourly Labour Cost**

**Quality:** assessed through a comparison of LCS with other statistics

# Background (2)

## Comparison with other statistics

- **Objectives**
    - Spot outliers / problems
    - Quality assurance & plausibility of data
  - **Limitations**
    - Methodological differences
    - Different scope  
(e.g. 10+ versus total economy)
    - Different statistical units  
(e.g. enterprises vs households for LFS)
- > *Levels* not compared directly but as shares in total economy
- > Broad use of comparisons in *changes*

# I. Number of hours worked & employees

- *Levels (2008 & 2012)*

Differences (LCS vs NA) in percentage points in the **share of hours worked**, by sector, as % of national

2008	C	F	G	N	O**	P	Q
BE	0.1	-1.3	-2.2	-1.9	:	4.8	4.1
BG	0.4	-0.6	-3.2	1.0	-3.9	1.4	0.8
CZ	4.2	-1.5	-2.9	1.2	1.1	0.9	0.1
DK	3.6	-1.6	-2.0	0.1	-0.2	1.1	0.6
DE	6.0	-2.2	-1.2	0.8	2.0	-0.2	0.4
EE	1.1	-3.6	-0.7	2.1	0.9	1.9	1.4
IE	1.0	-2.9	2.1	1.1	2.0	0.1	-0.2
EL	5.1	-5.1	-4.4	-0.3	:	3.9	4.2
ES	2.6	-2.5	-0.5	2.4	0.6	-1.6	1.2
FR	6.5	-1.3	-0.3	-3.0	:	:	0.2
HR	:	:	:	:	:	:	:
IT	4.2	-2.5	-1.8	0.7	:	2.6	1.0
CY	3.5	-2.1	-2.3	-0.3	-0.6	1.8	-0.2
LV	0.3	-2.2	-2.6	0.3	2.3	3.7	1.0
LT	-1.0	-1.2	-2.7	1.0	1.3	2.3	1.0
LU	2.4	0.3	-1.2	:	:	-4.0	0.7
HU	:	:	:	:	:	:	:
MT	:	:	:	:	:	:	:
NL	0.8	-0.2	-1.7	1.4	1.1	0.7	0.7
AT	3.8	0.1	0.6	1.3	:	-2.7	-1.4
PL	1.1	-3.5	0.3	0.9	-2.8	0.5	0.6
PT	3.4	-3.0	-5.2	4.4	4.1	2.9	1.8
RO	0.2	-0.2	-3.9	3.1	3.0	3.2	0.5
SI	4.3	-1.1	-1.1	-2.1	1.0	2.0	0.5
SK	5.4	-1.1	-5.9	-0.8	-2.0	1.7	0.3
FI	2.5	-2.4	-4.3	5.1	-2.7	1.1	2.1
SE	:	:	:	:	:	:	:
UK	0.4	-1.6	-1.8	-0.2	-1.8	6.7	0.0

2012	C	F	G	N	O**	P	Q
BE	0.8	-1.5	-0.1	-0.6	:	-2.3	5.6
BG	1.8	-1.1	-4.2	1.2	-4.1	1.9	0.9
CZ	3.5	-1.8	-3.1	1.4	1.4	1.4	0.7
DK	1.8	-2.2	-2.5	1.0	0.5	1.5	1.8
DE	5.7	-2.2	0.1	0.8	1.5	-0.7	0.2
EE	1.4	-3.0	-0.2	2.7	0.1	1.9	1.0
IE	1.1	-1.6	2.4	1.8	2.4	-0.6	-0.5
EL	0.8	-1.3	-3.0	-0.3	:	3.8	2.2
ES	2.2	-3.9	-0.1	2.4	-0.6	-1.6	3.0
FR	3.8	-1.8	-1.4	-3.0	3.8	1.9	0.5
HR	:	:	:	:	:	:	:
IT	4.9	-2.7	-1.5	0.9	7.1	0.9	2.0
CY	2.3	-0.5	-2.2	0.9	-11.5	-3.9	-3.6
LV	-0.2	-0.6	-2.5	-1.3	2.1	3.8	2.1
LT	-0.2	-0.5	-1.9	0.5	2.0	2.5	2.3
LU	0.7	0.2	-1.1	3.7	:	-4.3	1.2
HU	:	:	:	:	:	:	:
MT	:	:	:	:	:	:	:
NL	0.5	-0.1	-1.6	1.2	1.1	0.6	0.8
AT	4.5	0.3	0.6	1.0	:	-3.2	-3.0
PL	0.8	-3.6	-0.2	-0.1	-2.0	1.4	2.8
PT	4.2	-4.5	-5.5	3.0	5.5	3.9	4.3
RO	-0.2	-1.2	-4.3	3.0	0.5	3.5	0.7
SI	4.5	-2.1	-1.4	-2.0	2.2	2.9	1.3
SK	6.9	-0.7	-6.2	-1.4	-1.2	1.7	1.5
FI	1.9	-2.3	-2.6	3.6	-2.0	0.5	3.5
SE	:	:	:	:	:	:	:
UK	0.2	-1.0	-1.4	0.5	-0.2	1.9	1.4

# Number of hours worked & employees

## - *Main issues*

- > NACE C (Manufacturing) biggest in most countries, yet recorded biggest number of discrepancies
- > persistent discrepancies over the years  
NACE C (DE, SK)  
NACE G (PT, SK)
- > discrepancies in 2008 cleared in 2012  
NACE C (EL, FR)                      NACE F (EL)  
NACE N (FI)                              NACE P (UK)
- > new issue detected in 2012  
NACE O (IT, CY, PT)                      NACE Q (BE)

# Number of hours worked

- 2012/2008 changes

LCS vs. NA (2012/2008) growth in **total hours worked**

Threshold: 2 pp per year

Countries:

SK (with  $LCS < NA$ )

BE, DE, CY, LU (with  $LCS > NA$ )

EL (LCS) vs crisis?

	growth rate total hours worked		Difference in p.p.
	LCS	NA	
Belgium	4.77%	0.27%	4.50
Bulgaria	-3.83%	-3.58%	-0.24
Czech Republic	-1.51%	-0.39%	-1.12
Denmark	-3.31%	-1.69%	-1.63
Germany	2.83%	0.60%	2.22
Estonia	-3.46%	-3.59%	0.13
Ireland	-4.54%	-3.78%	-0.76
Greece	2.23%	:	:
Spain	-5.04%	:	:
France	-1.38%	-0.44%	-0.94
Croatia	-3.10%	:	:
Italy	-2.23%	-1.44%	-0.79
Cyprus	0.99%	-1.68%	2.67
Latvia	-6.49%	-5.95%	-0.54
Lithuania	-4.38%	-5.00%	0.62
Luxembourg	3.03%	0.70%	2.34
Hungary	-1.22%	:	:
Malta	-0.21%	:	:
Netherlands	-0.54%	-0.73%	0.19
Austria	-1.40%	-0.06%	-1.34
Poland	-2.20%	-0.72%	-1.48
Portugal	-4.83%	:	:
Romania	-2.70%	:	:
Slovenia	-2.86%	-4.08%	1.22
Slovakia	-3.75%	-0.34%	-3.41
Finland	-1.13%	-0.52%	-0.61
Sweden	1.32%	:	:
United Kingdom	0.75%	0.12%	0.63

# Number of employees

- 2012/2008 changes

## LCS vs. NA and LFS (2012/2008) growth in employees

	Annual growth rates			Differences between sources					
	LCS	NA	LFS	LCS_NA	LCS_LFS	NA_LFS	LCS>2p.p. with LFS OR NA	NA < 2p.p. with LFS	Both cases TRUE
Belgium	6.1	0.4	0.8	-5.6	-5.3	-0.4	TRUE	TRUE	TRUE
Bulgaria	-3.2	-2.5	-1.2	0.7	1.9	-1.3	FALSE	TRUE	FALSE
Czech Republic	-1.7	-0.6	0.1	1.0	1.7	-0.7	FALSE	TRUE	FALSE
Denmark	-3.3	-1.5	0.7	1.9	4.1	-2.2	TRUE	FALSE	FALSE
Germany	3.7	0.8	-0.6	-2.9	-4.3	1.4	TRUE	TRUE	TRUE
Estonia	-3.7	-1.4	-0.5	2.3	3.2	-0.9	TRUE	TRUE	TRUE
Ireland	-3.5	-3.3	0.6	0.1	4.1	-3.9	TRUE	FALSE	FALSE
Greece	2.2	-4.7	-0.2	-6.9	-2.5	-4.4	TRUE	FALSE	FALSE
Spain	-4.2	-3.9	0.3	0.3	4.5	-4.2	TRUE	FALSE	FALSE
France	1.1	-0.2	0.5	-1.4	-0.7	-0.7	FALSE	TRUE	FALSE
Croatia	-2.2	-2.6	0.8	-0.3	3.0	-3.3	TRUE	FALSE	FALSE
Italy	-1.1	-0.4	0.5	0.7	1.6	-0.9	FALSE	TRUE	FALSE
Cyprus	0.2	-0.7	2.7	-0.9	2.6	-3.4	TRUE	FALSE	FALSE
Latvia	-5.3	-4.8	-1.8	0.5	3.5	-3.0	TRUE	FALSE	FALSE
Lithuania	-4.1	-4.2	-1.6	-0.1	2.5	-2.6	TRUE	FALSE	FALSE
Luxembourg	3.7	2.0	2.8	-1.7	-0.9	-0.8	FALSE	TRUE	FALSE
Hungary	-1.0	0.3	-0.1	1.3	0.9	0.4	FALSE	TRUE	FALSE
Malta	-1.6	1.5	0.9	3.2	2.5	0.6	TRUE	TRUE	TRUE
Netherlands	-0.1	-0.4	0.7	-0.3	0.8	-1.1	FALSE	TRUE	FALSE
Austria	-0.7	:	0.6	:	1.3	:	:	:	:
Poland	-1.5	-0.2	-0.3	1.3	1.2	0.1	FALSE	TRUE	FALSE
Portugal	-4.1	-2.6	0.1	1.5	4.2	-2.6	TRUE	FALSE	FALSE
Romania	-2.5	-1.0	-0.2	1.5	2.4	-0.8	TRUE	TRUE	TRUE
Slovenia	-2.5	-1.8	0.1	0.8	2.7	-1.9	TRUE	TRUE	TRUE
Slovakia	-3.6	-1.5	0.2	2.0	3.8	-1.7	TRUE	TRUE	TRUE
Finland	-1.4	-0.6	0.6	0.9	2.0	-1.2	TRUE	TRUE	TRUE
Sweden	0.9	0.4	-1.8	-0.6	-2.8	2.2	TRUE	FALSE	FALSE
United Kingdom	0.8	-0.3	0.7	-1.1	-0.1	-1.0	FALSE	TRUE	FALSE

Threshold:  
2 pp per year

Countries:

BE, DE, EE, MT, SK  
(both LFS & NA)

RO, SI, FI  
(LCS departs LFS)

EL(LCS) vs. crisis?



## II. Hourly labour costs

*2012/2008 changes*

- LCS vs. LCI / NA (2012/2008)

LCS vs. LCI (**LCI?**)

HR / MT / PT

LCS vs. NA (**LCS?**)

CY / LT / RO / SK

LCI vs. NA (**LCI?**)

CZ / HU / SI

	labour cost		
	LCS/LCI	LCS/NA	LCI/NA
Belgium	0.6	1.2	0.7
Bulgaria	0.2	-0.1	-0.3
Czech Republic	-1.4	1.0	2.4
Denmark	0.7	0.7	0.0
Germany	-0.3	0.0	0.2
Estonia	0.5	-1.2	-1.7
Ireland	0.8	1.4	0.6
Greece	1.1	0.2	-0.9
Spain	0.2	0.9	0.7
France	-0.1	-0.1	0.0
Croatia	2.1	-0.4	-2.5
Italy	-0.1	0.4	0.4
Cyprus	-1.0	-2.5	-1.5
Latvia	-0.2	0.0	0.2
Lithuania	0.4	-2.4	-2.7
Luxembourg	-0.7	-1.6	-1.0
Hungary	-0.3	1.8	2.0
Malta	-3.3	-1.1	2.2
Netherlands	0.5	0.6	0.1
Austria	-0.7	0.3	1.0
Poland	1.4	-0.2	-1.6
Portugal	3.4	1.5	-1.9
Romania	-1.6	5.6	7.2
Slovenia	1.2	-1.2	-2.5
Slovakia	1.8	2.6	0.8
Finland	0.5	1.1	0.7
Sweden	-1.3	-0.6	0.7
United Kingdom	0.1	-0.5	-0.6

# Hourly labour costs

*2012/2008 changes*

- LCS vs. LCI / NA (growth)  
wage / non-wage split  
-> bigger discrepancies

Wages (highest share in LC)  
similar as for labour costs

Non-wage costs

?LCS: MT

?LCI: SE

?NA: CY/LV/LU/HU/SK

	wage costs			non-wage costs		
	LCS/LCI	LCS/NA	LCI/NA	LCS/LCI	LCS/NA	LCI/NA
Belgium	0.4	1.2	0.8	0.9	1.2	0.2
Bulgaria	0.3	0.0	-0.3	-0.4	-0.2	0.2
Czech Republic	-1.4	1.0	2.4	-1.4	1.2	2.6
Denmark	0.6	0.6	0.0	2.0	1.2	-0.8
Germany	-0.3	-0.2	0.1	-0.4	0.6	0.9
Estonia	0.6	-1.1	-1.7	0.2	-1.4	-1.7
Ireland	0.9	1.7	0.8	0.6	-1.4	-2.0
Greece	0.1	-0.5	-0.6	4.6	2.6	-2.0
Spain	0.3	1.2	0.9	-0.2	-0.3	0.0
France	-0.2	-0.2	0.0	-0.1	-0.2	-0.2
Croatia	2.2	-0.2	-2.4	1.2	-1.9	-3.1
Italy	0.0	0.3	0.3	-0.1	0.5	0.6
Cyprus	-1.1	-2.2	-1.1	-0.8	-5.1	-4.3
Latvia	-0.3	0.5	0.8	0.1	-3.1	-3.2
Lithuania	0.4	-2.6	-3.1	0.1	-1.5	-1.6
Luxembourg	-0.8	-1.3	-0.5	-0.1	-3.6	-3.5
Hungary	0.3	2.2	1.9	-1.2	2.2	3.4
Malta	-3.1	-0.7	2.3	-6.4	-5.1	1.3
Netherlands	0.4	0.6	0.2	0.7	0.4	-0.3
Austria	-0.6	0.3	0.9	-1.0	0.3	1.3
Poland	0.8	0.0	-0.8	3.8	-2.2	-6.0
Portugal	3.3	:	:	4.0	:	:
Romania	-1.4	5.7	7.2	-2.1	5.4	7.5
Slovenia	1.0	-0.7	-1.7	2.9	-4.2	-7.1
Slovakia	2.0	2.3	0.3	1.0	3.3	2.3
Finland	0.5	1.0	0.5	0.4	1.6	1.2
Sweden	-0.6	-0.7	0.0	-2.7	0.2	2.9
United Kingdom	-0.3	-0.4	-0.1	1.9	-1.2	-3.2

## **The participants to the workshop are invited to:**

- *Comment on a possible lack of LCS representativeness as regards the NACE structure of the economy;*
- *Comment on the discrepancies highlighted with regard to the growth rates in LCS vs. LCI / LFS and NA data;*
- *Inform of any methodological improvements planned in view of LCS2016 or in the LCI/NA field if relevant.*



**Thank you for your attention!**

**[Eusebio.Bezzina@ec.europa.eu](mailto:Eusebio.Bezzina@ec.europa.eu)**